

NSE

Natural Gas Futures



The Henry Hub Natural Gas futures contract is one of the most traded natural gas futures contracts in the world due to its price transparency and robust liquidity.

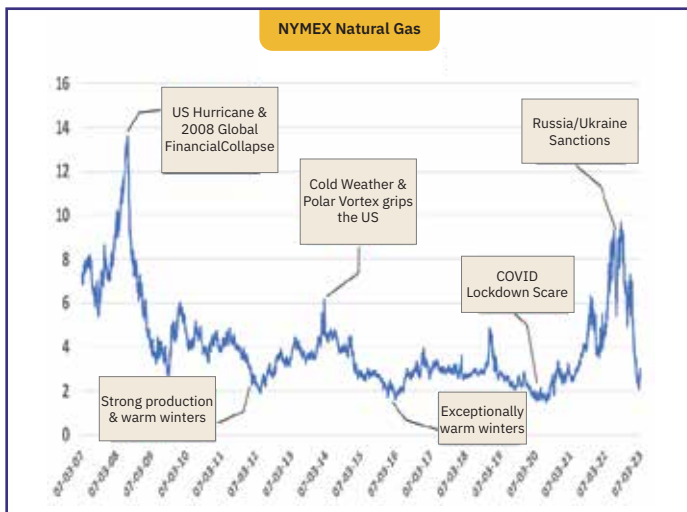
Cash settled Natural Gas Futures contracts with a contract size of **1250 mmBtu** shall be available for trading on NSE from 15th May 2023 onwards.

Natural Gas is found in deep underground rock formations or associated with other hydrocarbon reservoirs in coal beds and as methane clathrates.







Natural gas is used mainly in the industrial, commercial, transportation, and household sectors. Natural gas is an essential energy source, and its demand is continuously increasing globally.

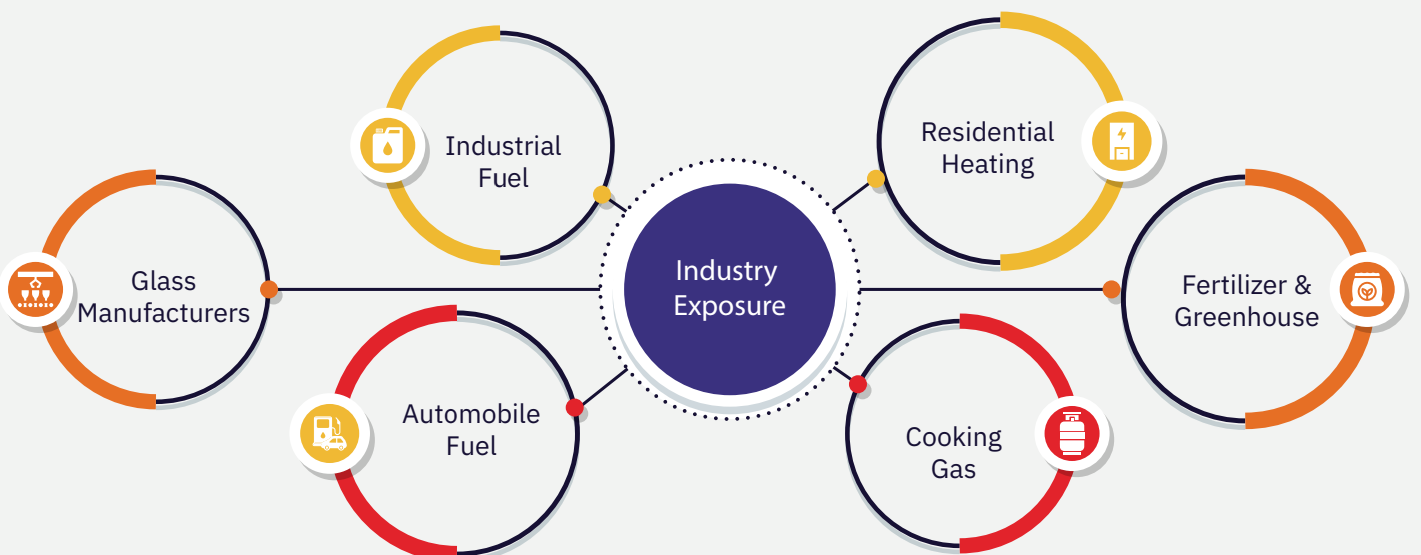
Henry Hub is a natural gas pipeline located in Louisiana, USA, which serves as a benchmark for natural gas pricing in the United States and around the world. It is the delivery point for natural gas futures contracts traded on the New York Mercantile Exchange (NYMEX).

India has been witnessing a steady decline in production because of limited availability of gas that can be extracted economically, thus consumption growth has been satisfied through liquefied natural gas (LNG) imports whose share in the country's natural gas consumption is approx. 50%. Hence, Natural Gas in India has strong linkages to the Global Natural Gas prices.



Factors affecting market Fundamentals

-  International Gas Inventories
-  Economic Factors: recession, inflation, crisis
-  Speculation, Hedging & Investment
-  Geopolitical Actions
-  Weather Conditions
-  Industrial & Residential Demand



NSE Natural Gas Futures Specifications:

Instrument & Symbol	Futures Contract (FUTENR) NATURALGAS
Trading Unit	1250 mmBtu
Tick Size / Quotation	₹ 0.10 (10 Paise) per mmBtu
Contract Cycle	Monthly Contracts
Profit / Loss per Tick	₹ 125
Settlement	Cash Settled
Due Date Rate (DDR) / Final Settlement Price (FSP)	<ul style="list-style-type: none"> • Due date rate (FSP) shall be the settlement price, in Indian rupees, of the New York Mercantile Exchange's (NYMEX)# Natural Gas (NG) front month contract on the last trading day of the NSE Natural Gas contract. • The last available RBI USDINR reference rate will be used for the conversion. • The price so arrived will be rounded off to the nearest tick.

Volatility Matrix

Calendar Year	2021	2022
Annual Volatility	55.35 %	83.51 %
Avg Daily Volatility	3.48 %	5.26%



Key Benefits of Trading at NSE



NIL Exchange Transaction Charges



Fungibility of Collateral across segments



Since Natural Gas Futures is traded in multiple exchanges across the globe, one may find attractive arbitrage opportunities

DISCLAIMER

CME GROUP MARKET DATA IS USED UNDER LICENSE AS A SOURCE OF INFORMATION FOR CERTAIN NSE PRODUCTS. CME GROUP HAS NO OTHER CONNECTION TO NSE PRODUCTS AND SERVICES AND DOES NOT SPONSOR, ENDORSE, RECOMMEND OR PROMOTE ANY NSE PRODUCTS OR SERVICES. CME GROUP HAS NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE NSE PRODUCTS AND SERVICES. CME GROUP DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY MARKET DATA LICENSED TO NSE AND SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN CME GROUP AND NSE.